The Silver Market

65th Annual Review
compiled by
Handy & Harman

1980

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Highlights of The Silver Market 1980

The silver market surely defies prediction, but barring major unexpected developments we look for less volatile conditions in 1981 than we have seen during the last two years.

Hopefully, new Governmental and Commodity Exchange controls in the U.S. on trading in contracts for silver futures will prevent a recurrence of some of the excesses we have experienced in the recent past.

The most remarkable year in the history of silver has drawn to a close.

The New York silver price reached a new all-time high of $48.00 per ounce and fell to $10.80 per ounce four months later; investor and privately-held stocks increased by large amounts in spite of record high prices; and finally, silver delivered to the market from secondary sources, such as demonetized coin and salvage, exceeded new mine production for the first time in history.

Silver prices advanced rapidly early in the year as a result of excessive speculative activity in the commodity futures markets.

It is not unlikely that silver prices would have advanced even further had it not been for the actions taken by the U.S. Commodity Exchanges.

World consumption of silver during 1980 for industrial and coinage uses combined, excluding Communist-dominated areas, amounted to 355,900,000 ounces, a drop of 20% from 1979.

Industrial consumption in the United States declined 24% to 119,700,000 ounces as all major categories were down due to higher prices and the effects of the business recession.

World mine production of silver, excluding Communist-dominated areas, amounted to about 255,000,000 ounces during 1980, a decrease of 5% from our revised 1979 figure.

Silver supplied from secondary sources increased to 288,500,000 ounces during 1980 compared to the 139,500,000 ounces in 1979. The outflow of silver from demonetized coin, Indian stocks and salvage was highly responsive to the surge in silver prices.

For the longer range, we have continually emphasized that there will be no shortage of silver for future industrial needs and this has been confirmed by events.

The speculator has been a major market factor for a number of years and still holds the key to the future course of silver prices.

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Review of the Silver Market for 1980

The most remarkable year in the history of silver has drawn to a close. The year 1980 was the first time since 1971 that prices were lower at the end of the year than at the beginning. The frequency and violence of price fluctuations in 1980 were even greater than during 1979. The New York silver price reached a new all-time high of $48.00 per ounce and fell to $10.80 per ounce four months later. Investor and privately-held stocks increased by very large amounts in spite of record high prices, and finally, silver delivered to the market from secondary sources, such as demonetized coin and salvage, exceeded new mine production for the first time in history. The table on page 28 sets forth a comparative record of high, low, and average silver prices for both the New York and London spot markets for the past ten years. The 1980 average New York silver price of $20.63 per ounce was the highest in history and represented an 86% increase over the previous year. Never in history has the New York spot market undergone such wide fluctuations. The spread between the low of $10.80 and the high of $48.00 was $37.20, equivalent to a change of about 350 percent.

To understand the silver situation one must take a broad overview. A glance at the price record for the year shows enormous fluctuations. The following prices are indicative of the course of the market during 1980:

December 28, 1979	$28.00
January 2, 1980	37.75
January 21, 1980	48.00
January 22, 1980	36.00
March 10, 1980	29.45
March 27, 1980	11.10
September 22, 1980	24.25
December 31, 1980	15.65

An examination of these figures indicates that silver prices advanced rapidly early in the year as a result of excessive speculative activity in the commodity futures markets. It is not unlikely, owing to the speculative buying, that silver would have advanced above these prices had it not been for the actions taken by the Commodity Exchanges.

On the first business day of 1980, the New York silver price was published at $37.75 per ounce, up nearly 35 percent from the 1979 closing price. The price advanced erratically in large jumps until it reached $48.00 per ounce on January 21. This proved to be the high for the year. At this time the New York Commodity Exchange decided that an emergency existed and passed a rule which prohibited trading in silver contracts except for the liquidation of existing positions. The next day silver dropped $12.00 per ounce to $36.00.

During the first quarter of 1980 trading in silver on the Commodity Exchanges was dominated by speculators and investors whose actions were based on factors other than the economic forces of supply and demand for silver as an industrial commodity. However, an important economic force began to exert its influence on silver at this time. Record high prices prompted the sale of coins and other high silver content scrap to refineries throughout the world. Large quantities of silver bullion produced from these secondary sources began to be delivered to the market in late February. With consumer demand at the lowest level since 1963, heavy investment buying of physical offerings was required to support the price. Several times it seemed that there was enough investment buying to absorb sales of this material at prices around $30.00 per ounce. However, the market was unable to continue absorbing these large quantities of secondary silver and the price began to decline. As prices slipped, investor and speculator selling was in evidence to meet margin requirements and the price

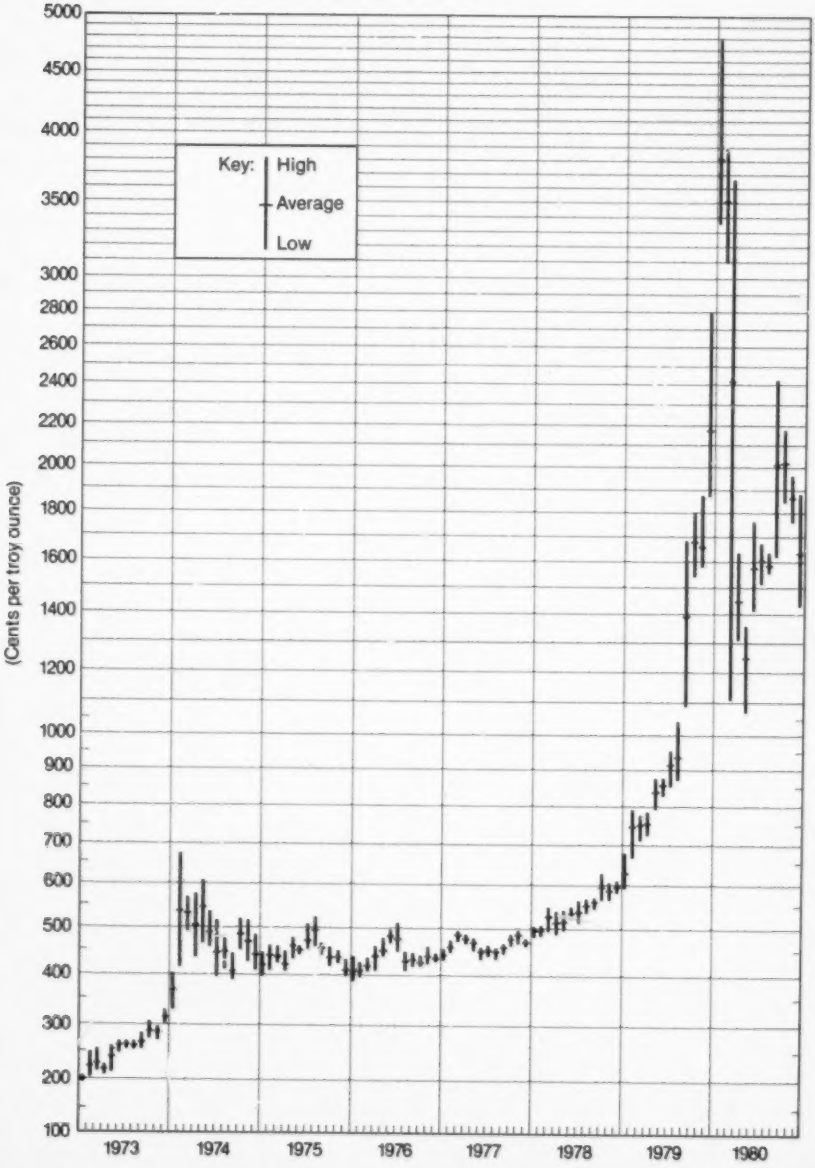
dropped below $20.00 per ounce. On March 27, it became clear that some substantial buyers of silver futures contracts on COMEX were having difficulty in meeting margin calls. There were reports of brokerage houses liquidating accounts to obtain funds to cover Commodity Exchange margin requirements. Distressed selling caused prices to drop to $11.10 per ounce. The upward spiral of prices which started in 1979 with a virtual price explosion in January 1980 culminated in March with a crash of spectacular proportions.

Starting April 1, prices fluctuated erratically and then dropped to $10.80 per ounce on May 22 which proved to be the low for the year. For the next several months the silver market climbed upward spurred on by increasing uncertainty in world economies, armed conflict in the Middle East, higher oil prices and growing inflationary pressures. The price reached $24.25 per ounce on September 22 when a reaction set in carrying the price back to $15.65 at year-end. The price performance during the last nine months of 1980 was characterized by unstable market conditions and must be viewed as truly astounding by historical standards. However, the extreme volatility of the first quarter allowed this period to pass with little notoriety.

Silver in the United States

The New York Market: Spot prices in the New York market are substantially determined by prevailing quotations on the New York Commodity Exchange, generally referred to as COMEX. The Exchange provides a broad trading market in silver futures contracts, and major suppliers of silver to industrial users, including producers and dealers, base their offering prices on COMEX quotations. As a result the Handy & Harman price, which is published at Noon each business day, usually reflects the level of prices on COMEX at that time. Unless

New York Silver Prices Monthly Ranges



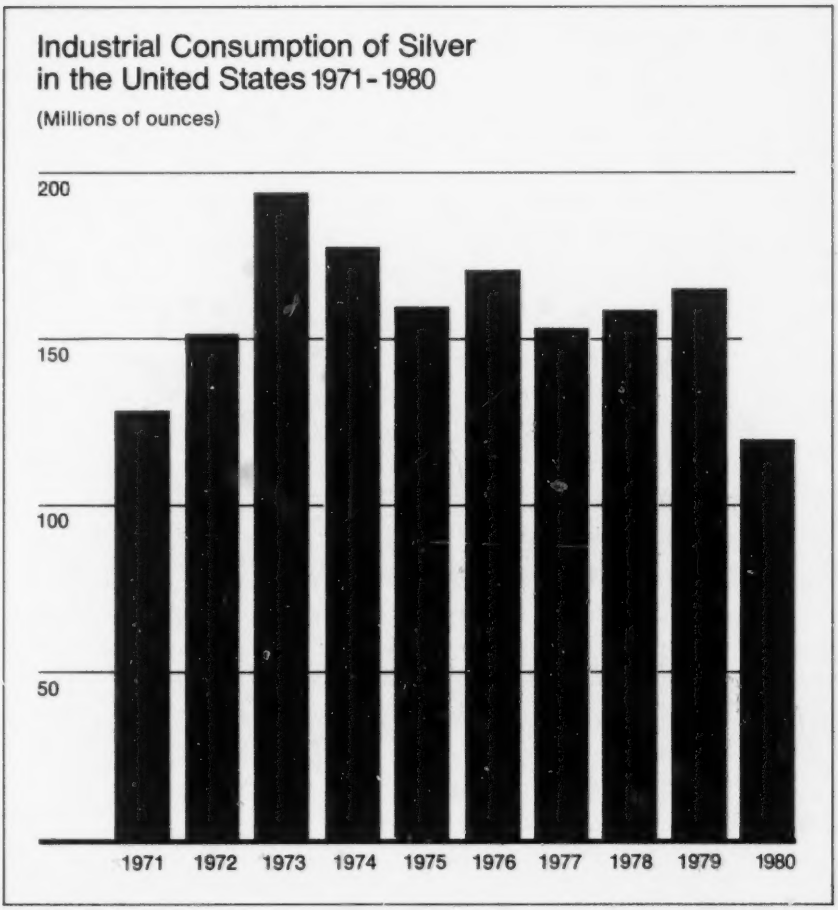
otherwise specified, all references to the New York price refer to the Handy & Harman quotation. The chart on page 8 shows the monthly high, low and average of the daily silver prices as published by Handy & Harman for the years 1973 through 1980.

Price Definition: The price referred to in the above market discussion is the New York Silver Price as published daily by Handy & Harman. The definition of this price is as follows:

> "The daily silver quotation reported by Handy & Harman, in cents and tenths of a cent per troy ounce, is the lowest price at which offers can be obtained by Handy & Harman for silver in commercial bar form, in accordance with ASTM Designation: B413-69 Specification for Refined Silver, Grade 99.90 for nearby delivery at New York, in quantities sufficient to meet its requirements."

The New York Commodity Exchange designates certain brands of silver which are acceptable as good delivery against contracts on the Exchange, but it does not require conformity to ASTM specifications. It requires only that such silver be no less than 99.9% pure without reference to impurities. The ASTM specifications set maximum limits on impurities, and this is very important for industrial users. Therefore, the price published by Handy & Harman is somewhat different than comparable quotations on COMEX.

Silver Futures: Trading in silver futures on the New York Commodity Exchange dropped dramatically during 1980. A total of 1,058,734 contracts of 5,000 ounces each were traded, amounting to 5.3 billion ounces of silver. This is a decrease of 74% from the record 20.4 billion ounces traded in 1979. Open interest at year-end amounted to 32,000 contracts, down substantially from 119,000 at the beginning of the year. Stocks in COMEX-licensed vaults at the end of 1980 amounted to



86,600,000 ounces, up 17% from the 73,800,000 ounces at the end of 1979.

The volume of trading on the Chicago Board of Trade also was down. A total of 341,033 contracts of 5,000 ounces each were traded, equivalent to about 1.7 billion ounces of silver compared to 13.6 billion ounces for the year before. Stocks in approved CBT vaults at year-end amounted to 34,200,000

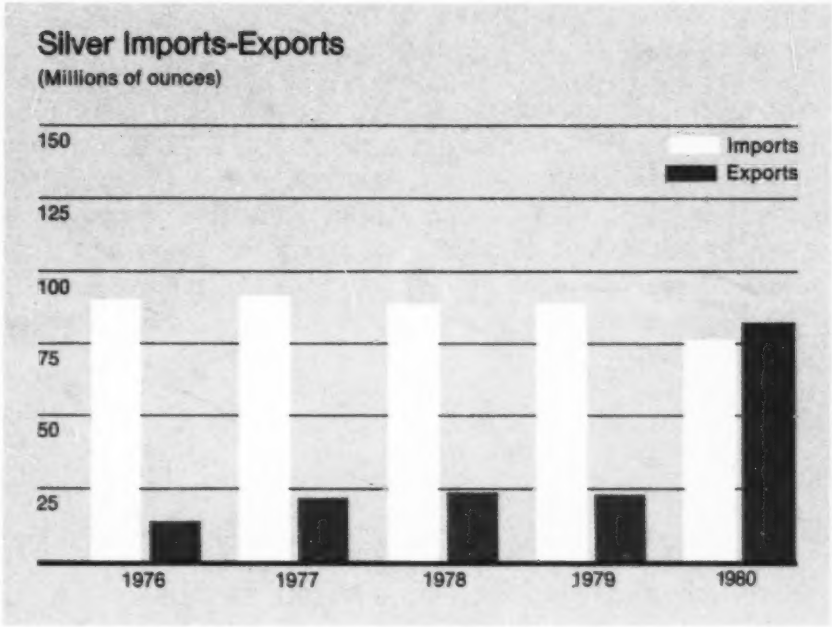
ounces, considerably lower than the 58,300,000 ounces at the end of 1979.

Industrial Consumption: Industrial consumption of silver in the United States amounted to an estimated 119,700,000 ounces in 1980, down 24% from our revised figure of 157,200,000 ounces in 1979. Due to higher prices and the effects of the business recession, consumption during the year was at the lowest level since 1963. The following table reflects the estimated U.S. consumption of silver and the average price for 1980 and 1979.

	Thousands of Troy Ounces		Average Price	
	1980	1979	1980	1979
First Quarter	31,450	51,779	$32.49	$ 7.04
Second Quarter	31,462	43,040	14.26	8.13
Third Quarter	25,277	30,916	17.37	10.81
Fourth Quarter	31,500	31,523	18.41	18.39
Total for Year	119,689	157,258	$20.63	$11.09

In the statistical tables on page 26 we have broken down our estimates of major categories of use, compared with the last four years. As in the past, our estimates are based on data published by the Bureau of Mines. All major categories were down from 1979. We call particular attention to the sharp decline in the consumption of silver for the "Electroplated Ware, Sterling Ware and Photographic" categories, while smaller relative decreases were in "Brazing Alloys and Electrical and Electronic Products."

Imports and Exports: Total imports of silver into the United States during 1980 were about 76,300,000 ounces, a 17% decrease from the previous year. Imports from Canada amounted to 26,800,000 ounces, a slight increase from the previous year. Imports from Mexico dropped rather sharply to 15,100,000 ounces in 1980 from 25,300,000 ounces in 1979.



Shipments from Peru amounted to 11,900,000 ounces, down about 7,900,000 ounces from the previous year. All other countries supplied about 22,500,000 ounces in 1980, about the same as 1979.

Exports during 1980 amounted to about 82,500,000 ounces and were up over 130% from 1979. This amount reflects the international movement of silver bullion in response to investor and speculator demands. Exports to the United Kingdom totaled 26,200,000 ounces. This compares with 8,000,000 ounces shipped in the previous year. In addition, about 8,900,000 ounces were shipped to Canada, about 15,000,000 ounces were shipped to Switzerland and 32,300,000 ounces to various other countries.

Legislative Developments: Once again the Congress failed to take action on pending legislation authorizing disposal of 139,500,000 ounces of silver held in the strategic stockpile. The question of silver stockpile objectives has been under consideration since 1973. All indications are that there still is strong Congressional opposition to the disposal of the silver stockpile. However, there remains the possibility that the next Congress may take action, perhaps on the basis of some compromise regarding quantities and timing of sales. Meanwhile, this silver continues to be a potential source for United States industry.

Review of Other Markets

World consumption of silver during 1980 for industrial and coinage uses combined, excluding Communist-dominated areas, decreased appreciably and amounted to about 355,900,000 ounces, some 20% below our revised 1979 figure. Industrial consumption was about 340,200,000 ounces, a decline of about 19% from the previous year. The decreases recorded in all major countries reflected the impact of higher silver prices and the widespread business recession. Coinage consumption was down 43% to 15,700,000 ounces from 27,800,000 ounces in 1979.

World mine production of silver, excluding Communist-dominated areas, amounted to about 255,000,000 ounces during 1980, a decline of 5% from our revised 1979 figure. Mexico, the world's leading producer of silver, decreased its output 4% in 1980 to 51,500,000 ounces. Mine production in the United States dropped 19% to 31,000,000 ounces as a result of strikes affecting a major silver mine and U.S. copper producers. Canadian production of 33,000,000 ounces was also lower due to strikes at two major mines. Peru, the world's second largest producer, recorded a 5% drop in output in 1980 to 40,500,000 ounces.

One of the most significant developments during 1980 was the dramatic increase in silver supplied from secondary sources. The outflow of silver from demonetized coin, Indian stocks and salvage was highly responsive to the surge in silver prices. These sources of supply provided 288,500,000 ounces of silver to the market during 1980 compared to only 139,500,000 ounces during 1979. Silver from demonetized coin increased to 55,000,000 ounces from 25,500,000 ounces in 1979, a 115% increase. Silver from India was 41,700,000 ounces in 1980, up from 33,500,000 ounces the previous year, and finally salvage and other sources provided 121,500,000 ounces compared to 80,500,000 ounces in 1979.

United Kingdom: Consumption of silver for industrial uses in the United Kingdom during 1980 amounted to about 20,500,000 ounces, a decrease of approximately 23% from 1979. Import and export statistics include the international shipments of silver by investors and speculators during 1980. Imports for the year in refined and unrefined form are estimated at 105,500,000 ounces, an increase of over 200%. The largest amount came from the United States which supplied approximately 26,200,000 ounces. Other significant sources were France, 12,000,000 ounces; Belgium, 11,000,000 ounces; West Germany, 17,000,000 ounces; Australia, 5,000,000 ounces and Mexico, 7,000,000 ounces.

Exports of silver for 1980 amounted to about 55,000,000 ounces of which about 45,000,000 ounces were shipped to Switzerland. Other countries exported to included the United States, West Germany, France, and Sweden.

The daily quotation for prompt delivery issued by the London Silver Market ranged from a high of 2165.1 pence, reached on January 18, to a low of 467.8 pence, established on May 22, 1980. In dollar terms the high was $49.45 on January 18 and the low was $10.89 on May 22, 1980. These

prices were based on sterling exchange rates in effect at the time.

West Germany: Industrial consumption of silver in West Germany during 1980 amounted to about 29,100,000 ounces according to our estimates. This represents a decrease of about 22% from the 1979 level. There was no silver used for coinage during 1980, while about 3,700,000 ounces was used the previous year. Domestic mine production for 1980 amounted to about 1,000,000 ounces, a slight increase from the previous year, and smelter production from foreign ores amounted to 13,500,000 ounces. Some German coins were refined in 1980 but the silver was retained by the Government and none was sold to the market.

Imports in both refined and unrefined form totaled about 51,700,000 ounces, of which about 18,000,000 ounces came from Switzerland, 5,300,000 ounces from Sweden, 5,100,000 ounces from the United States and the balance from various other countries. Exports were an estimated 37,000,000 ounces with the principal countries of destination being Italy, the United Kingdom, Switzerland and the Netherlands.

France: Consumption of silver for industrial uses in France during 1980 was about 20,200,000 ounces, down 6% from 1979. There was no silver used for coinage in 1980 while about 7,700,000 ounces were consumed the previous year. Production amounted to 15,300,000 ounces, about the same as last year; and government stocks of about 2,900,000 ounces were virtually unchanged from the previous year.

Imports of silver into France during 1980 amounted to about 47,500,000 ounces, up 13,700,000 ounces from our revised 1979 amount. The principal countries from which silver arrived were Switzerland, 10,900,000 ounces; United States, 15,400,000 ounces; and various other countries, the balance

of 21,200,000 ounces. Exports totaling 33,700,000 ounces increased from the previous year's amount of 13,600,000 ounces. The principal countries to which silver was exported were the United Kingdom, 12,000,000 ounces; Switzerland, 6,100,000 ounces; and various other countries, the balance of 15,600,000 ounces.

Canada: As a result of a strike at two major facilities, production of silver in Canada during 1980 declined 10% to about 33,300,000 ounces in 1980. The country continues to be one of the largest producing nations in the non-Communist world. Silver consumed for industrial uses amounted to about 6,800,000 ounces, a decline of 16% from 1979. Coinage consumption amounted to 200,000 ounces in 1980, approximately the same as the previous year.

Imports of silver into Canada during 1980 increased substantially to 10,000,000 ounces of which 8,900,000 ounces came from the United States. Exports for 1980 are estimated at about 42,800,000 ounces, most of which was shipped to the United States. This compares with 42,400,000 ounces exported during the previous year.

Mexico: Silver production in Mexico in 1980 amounted to 51,500,000 ounces, a decrease of 4% from our revised figure of 53,700,000 ounces for 1979. Mexico continues to be the number one producing nation in the world. Industrial consumption in Mexico was about 3,500,000 ounces, a drop of 36% from the 1979 level. Coinage consumption was about 5,100,000 ounces, approximately the same as the previous year. Government stocks at year-end were approximately 12,000,000 ounces, an increase of 5,000,000 ounces during the year.

Mexico exported 41,000,000 ounces of silver during 1980. About 14,100,000 ounces were shipped to Europe. The

United States received 15,100,000 ounces and Japan received 10,000,000 ounces.

Japan: We estimate that industrial consumption in Japan was about 61,700,000 ounces during 1980, of which 31,800,000 ounces were used by the photographic industry and 8,000,000 ounces by the electrical contacts manufacturers. Total quantity consumed decreased by about 10% from 68,700,000 ounces used in 1979 as industrial consumers successfully reduced the use of silver in response to higher prices. In the following table we have broken down our estimates of major categories of use for 1980 and 1979.

	1980		1979	
	Ounces (Millions)	% of Total	Ounces (Millions)	% of Total
Film	31.8	51.5	32.2	46.9
Nitrates	6.1	9.9	6.5	9.5
Contacts	8.0	13.0	8.9	13.0
Solder	3.7	6.0	5.3	7.7
Plating	2.4	3.9	2.7	3.9
Tube, Sheet, Bar & Wire	3.2	5.2	4.9	7.1
Silverware	.9	1.4	2.2	3.2
Other	5.6	9.1	6.0	8.7
	61.7	100.0	68.7	100.0

Imports for the year in refined and unrefined form are estimated at 37,900,000 ounces, about the same as 1979. The largest amount came from Japanese overseas mines which produced 19,600,000 ounces in 1980, up 1,200,000 ounces from 1979. Other sources were Mexico, 10,000,000 ounces; Peru, 4,200,000 ounces, and all other countries, the balance of 4,100,000 ounces.

Exports of silver for 1980 amounted to 4,800,000 ounces of which 3,900,000 ounces were shipped to the United Kingdom.

Once again, no silver was used in coinage and the Government has no plans to mint coins containing silver in the future.

Mine production was about 7,700,000 ounces, a decrease of 13% from our revised figure of 8,900,000 ounces for 1979. Government stocks are estimated to be about 2,300,000 ounces at the end of 1980 which is about the same as the previous year.

India: For many years India has been an important source of silver to world markets. However, silver is not produced in India and whatever silver is exported comes out of stocks which were accumulated through the centuries. The Government of India is conscious of this fact and hence they attempt to regulate the export of silver. On February 20, 1979, the Government decided to ban export of silver, but nevertheless we are advised that perhaps 25,700,000 ounces were shipped to world markets during 1980, an increase of 11,200,000 ounces from the previous year. If prices remain at present levels, a continuing outflow of silver from India may reasonably be expected. Consumption of silver in India amounted to 16,000,000 ounces, a decrease of 16% from 1979. This represented a total contribution in 1980 of 41,700,000 ounces to the market of the non-Communist world, compared with 33,500,000 ounces in 1979. It is not possible to verify the internal hoards of silver in India, but by all reports they are enormous and will continue to be an important factor for the indefinite future. Government monetary stocks of silver are reported to be 67,500,000 ounces at the end of 1980 which reflects no change during the year.

Summary of World Stocks

The following table summarizes on a world-wide basis, excluding Communist countries, reported and unreported stocks of silver both in bullion and coin. In some cases, figures are available from published reports, both governmental and private, on a preliminary basis. In the case of "Stocks of foreign governments," only partial information is reported, and there are no figures available for what we term "Conjectural stocks."

	(millions of ounces)		
	1980	1979	Increase (Decrease)
Reported private stocks:			
New York Commodity Exchange	86.6	73.8	12.8
Chicago Board of Trade	34.2	58.3	(24.1)
London Metal Exchange	27.3	13.1	14.2
Industry stocks in the U.S.	30.0(a)	16.1	13.9
Total	178.1	161.3	16.8
U.S. Government stocks:			
U.S. strategic stockpile	139.5	139.5	—
U.S. Defense Department	3.8(a)	5.7	(1.1)
U.S. Treasury (Mint)	38.9(a)	39.0	(.1)
Total	182.2	184.2	(2.0)
Stocks of foreign governments (estimated)	122.0	138.0	(16.0)
Conjectural stocks:			
Unreported bullion stocks in U.S. and abroad	175.0	50.0	125.0
U.S. silver coins potentially available	662.0	712.0	(50.0)
Foreign silver coins potentially available	30.0	35.0	(5.0)
Total	367.0	297.0	70.0
Total world silver stocks	1,349.3	1,280.5	68.8

(a) As of September 30, 1980

The Outlook

We have continually emphasized that there will be no shortage of silver for future industrial needs and this has been confirmed by events. Speculative and investment demand will probably continue to dominate the market in 1981 as in 1980, but we believe that price fluctuations this year may be less violent than last. One reason is the ever present possibility of liquidation of some of the vast worldwide accumulations of silver coins and bullion in private hands. This should restrain speculative enthusiasm. Furthermore, the silver market has now demonstrated that the price can go down as well as up, and this has had a dampening effect. The short range outlook for silver prices holds little hope for stability. However, it is unlikely that the record high for the New York published price of $48.00 per ounce, reached in January 1980, will be broken soon. Near-term price fluctuations will depend on speculative reaction to economic, monetary, and political developments as they occur. The effect of such reaction has always been unpredictable both as to timing and extent. However, it seems safe to conclude from past evidence that frequent and even violent price fluctuations will continue to occur in the future.

For the longer range there are a number of factors to be considered. In last year's Review we listed those we thought most important and pointed out that some were bullish in nature, suggesting higher prices, and some were bearish, suggesting the possibility of downward reactions. These same factors exist today, having changed little during the past year, and we are listing them again in modified form.

Significant bullish influences are as follows:

(1) There may be some moderation in worldwide inflation in 1981, but there is little evidence that it will be brought under control. Inflation and monetary uncertainties which

go with it have historically generated speculative and investor interest in silver and, therefore, will probably continue to exert upward pressure on prices.

(2) Of all the precious metals, silver is in the strongest position stastically. New mine production accounts for only a portion of the silver used each year, and the market must draw heavily on secondary sources. In recent years, it has taken higher prices to attract silver from these sources and still higher prices may be required in the future.

(3) The speculator has been a major market factor for a number of years and still holds the key to the future course of silver prices. Speculative and investment holdings increased by 120,000,000 ounces during 1980 and future price levels will depend to a considerable extent on whether these holdings are increased or liquidated.

Offsetting these bullish influences are some factors which might be considered as bearish in that they may tend to bring about lower prices. These are as follows:

(1) Industrial consumption of silver during 1980 dropped 19% from the 1979 level. If present prices are maintained, substitutes for silver become more attractive and demand could continue to decline.

(2) For many years, and particularly since 1973, the flow of silver into world markets from India has been an important part of the supply equation. This flow appears to react quite quickly to price changes, diminishing when prices decline and increasing when they rise, and accordingly tends to have a somewhat moderating influence.

(3) Silver coins represent a very large source of silver and will be a significant long range factor. Like silver from

India, these coins are price sensitive. As demonstrated last year, large quantities of old U.S. silver coins will come into the market given sufficient price inducement.

(4) Mine production was down last year primarily as a result of a number of strikes; however, most producers plan to expand facilities and increase future output. In addition, silver from salvage and recycling operations is continuing to flow into the market in large quantities.

The silver market surely defies prediction, but barring major unexpected developments we look for less volatile conditions in 1981 than we have seen during the last two years. Hopefully, new Governmental and Commodity Exchange controls in the United States on trading in contracts for silver futures will prevent a recurrence of some of the excesses we have experienced in the recent past.

February 6, 1981.

STATISTICAL TABLES

World Silver Consumption

(excluding Communist-dominated areas)
(millions of ounces)

	1980	1979	1978	1977	1976
Industrial uses:					
United States	119.7	157.2	160.2	153.6	170.5
Canada	6.8	8.1	9.0	8.8	9.5
Mexico	3.5	5.5	5.8	5.5	6.5
United Kingdom	20.5	26.5	29.0	32.2	28.0
France	20.2	21.5	22.2	20.6	19.0
West Germany	29.1	37.1	47.2	59.5	50.8
Italy	24.5	33.0	41.8	33.8	32.1
Japan	61.7	68.7	64.8	63.2	60.7
India	16.0	19.0	20.0	17.6	18.0
Belgium	15.7	16.8	16.8	16.1	15.5
Other countries	22.5	26.4	25.8	22.7	26.9
Total industrial uses	340.2	419.8	442.6	433.6	437.5
Coinage:					
United States	.1	.1	.1	.4	1.3
Canada	.2	.3	.3	.3	8.4
Austria	4.3	5.0	4.5	3.0	6.9
France	—	7.7	11.1	6.9	6.7
West Germany	—	3.7	3.6	2.6	2.9
Mexico	5.1	5.0	6.3	4.2	—
Other countries	6.0	6.0	10.4	6.0	3.5
Total coinage	15.7	27.8	36.3	23.4	29.7
Total consumption	355.9	447.6	478.9	457.0	467.2

NOTE: Figures for 1980 are preliminary. Some of the figures for 1976 through 1979 as published in last year's Review have been revised.

World Silver Supplies

(excluding Communist-dominated areas)

(millions of ounces)

	1980	1979	1978	1977	1976
New production:					
Western Hemisphere:					
United States	31.0	38.1	39.4	38.2	34.3
Canada	33.3	36.9	40.2	42.8	41.2
Mexico	51.5	53.7	50.8	47.0	42.6
Peru	40.5	42.8	37.0	36.1	35.6
Other countries	20.5	20.5	23.3	20.5	18.8
Total	176.8	192.0	190.7	184.6	172.5
Outside the Western Hemisphere:					
Australia	27.5	26.6	24.9	27.4	25.5
Other countries	50.7	51.4	52.9	55.4	49.0
Total	78.2	78.0	77.8	82.8	74.5
Total new production	255.0	270.0	268.5	267.4	247.0
Secondary sources of supply:					
From U.S. Treasury	.1	.1	.1	.4	1.3
From stocks of foreign gov'ts	5.2	3.1	8.4	5.0	7.0
From demonetized coin	55.0	25.5	14.0	23.0	55.0
From Indian stocks	41.7	33.5	45.5	40.6	70.0
Salvage and other misc. sources	121.5	80.5	96.5	94.2	86.1
Liquidation of (additions to) private bullion stocks	(122.6)	34.9	45.9	26.4	.8
Total other supplies	100.9	177.6	210.4	189.6	220.2
Available for World Consumption	355.9	447.6	478.9	457.0	467.2

NOTE: Figures for 1980 are preliminary. Some of the figures for 1976 through 1979 as published in last year's Review have been revised.

United States Industrial Consumption Of Silver by End Use

(millions of ounces)

	1980	1979	1978	1977	1976
Electroplated ware	4.2	8.1	7.3	6.8	9.5
Sterling ware	8.1	13.0	17.9	16.7	19.8
Jewelry	5.0	5.3	6.8	8.1	11.0
Photographic materials	49.3	66.0	64.3	53.7	55.5
Dental and medical supplies	1.9	2.3	2.0	2.2	1.9
Mirrors	.6	1.9	1.9	2.1	4.6
Brazing alloys and solders	8.9	10.9	11.0	12.4	11.2
Electrical and electronic products:					
Batteries	6.4	4.6	6.0	5.8	3.5
Contacts and conductors	25.9	33.5	30.8	31.3	32.3
Bearings	.2	.3	.4	.5	.3
Catalysts	4.0	5.6	8.2	8.9	12.3
Coins, medallions and commemorative objects	4.2	4.7	2.7	4.2	8.2
Miscellaneous	1.0	1.0	.9	.9	.4
Total Industrial Consumption	119.7	157.2	160.2	153.6	170.5

NOTE: Based on data from Mineral Industry Surveys for gold and silver, published by Bureau of Mines, United States Department of the Interior.

Imports of Silver Into the United States

(millions of ounces)

	1980	1979	1978	1977	1976
Imported from:					
Canada	26.8	26.6	41.9	44.8	40.6
Mexico	15.1	25.3	18.9	20.1	18.4
Peru	11.9	19.8	17.1	15.7	11.3
Other Western Hemisphere countries	7.0	3.2	3.0	1.6	2.9
Total Western Hemisphere	60.8	74.9	80.9	82.2	73.2
All other countries	15.5	17.4	4.7	8.0	15.2
Total Imports	76.3	92.3	85.6	90.2	88.4

Exports of Silver From the United States

(millions of ounces)

	1980	1979	1978	1977	1976
Exported to:					
Canada	8.9	2.7	1.2	.5	.8
United Kingdom	26.2	8.0	6.1	4.1	2.9
Japan	3.2	7.1	7.7	7.9	7.1
West Germany	5.0	.7	2.7	5.8	.2
Switzerland	15.1	10.1	.5	.5	.3
All other countries	24.1	7.1	4.2	3.6	3.3
Total Exports	82.5	35.6	22.4	22.4	14.6

NOTE: Figures for 1980 are preliminary. Some of the figures for 1976 through 1979 as published in last year's Review have been revised.

Silver Quotations

	NEW YORK (Handy & Harman)			LONDON (Daily Fixing)		
	High	Low	Average	High	Low	Average
1980 . . .	4800.000¢	1080.000¢	2063.157¢	2165.050p	467.800p	900.662p
1979 . . .	2800.000	596.100	1109.378	1446.850	296.400	508.561
1978 . . .	629.600	482.900	540.089	311.200	250.000	282.203
1977 . . .	496.000	430.000	462.302	289.700	246.900	265.538
1976 . . .	510.000	381.500	435.346	282.150	189.050	242.420
1975 . . .	522.500	391.000	441.852	248.100	167.100	200.115
1974 . . .	670.000	327.000	470.798	293.000	141.900	199.898
1973(a) .	328.000	196.200	255.756	140.200	82.900	103.787
1972 . . .	204.800	138.700	168.455	86.600	53.800	67.404
1971 . . .	175.200	128.800	154.564	72.600	51.000	62.969

(a) The 60 day general price freeze in effect from June 13, 1973, through August 12, 1973, forced intermittent suspension of Handy & Harman's daily quotation during July and August for a total of 22 days.